imaa
Institute of Mergers, Acquisitions and Alliances

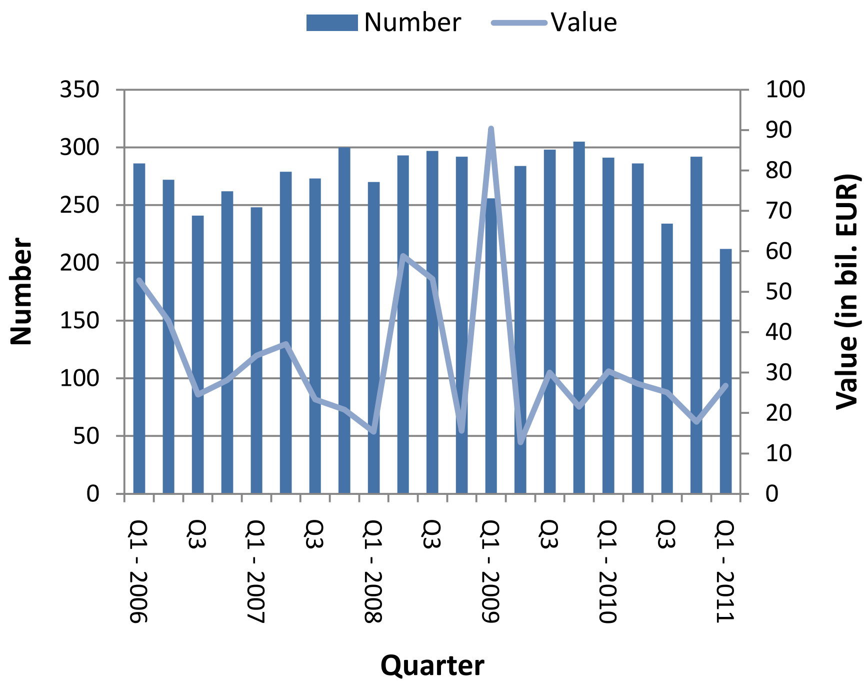
Mergers & Acquisitions Activity: **Pharmaceutical Industry** Q1, 2011

Webster University

Kummer & Company

Vienna & Zurich, 04 April 2011

Pharmaceutical M&A Activity, Q1-2011



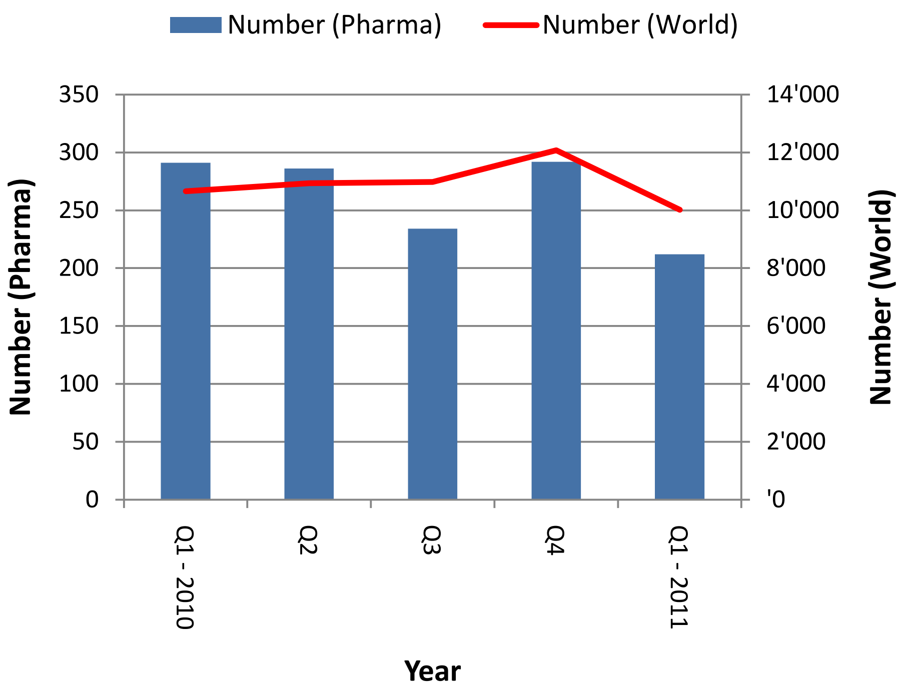
In the first quarter of 2011, there have been **212 transactions** valued at **27 bil. EUR** in this sector.

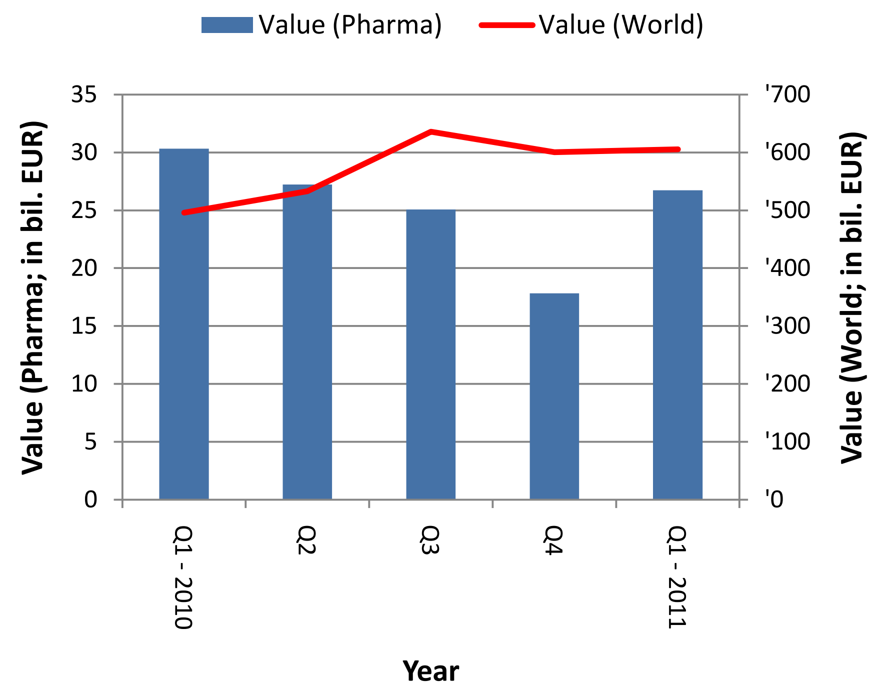
Compared to the fourth quarter 2010, the **number of M&A has dropped by more than a quarter (-27%)** . The lowest level since the third quarter 2003. The **value** however has **significantly increased** (+50%). Compared to the first quarter 2010, both number and value has decrease by 2%.

Trend in Pharmaceutical & Biotechnology M&A

compared to	Number	Value
Q1, 2010	-2%	-2%
Q4, 2010	-27%	+50%

M&A in Q1, 2011: Pharma vs. World



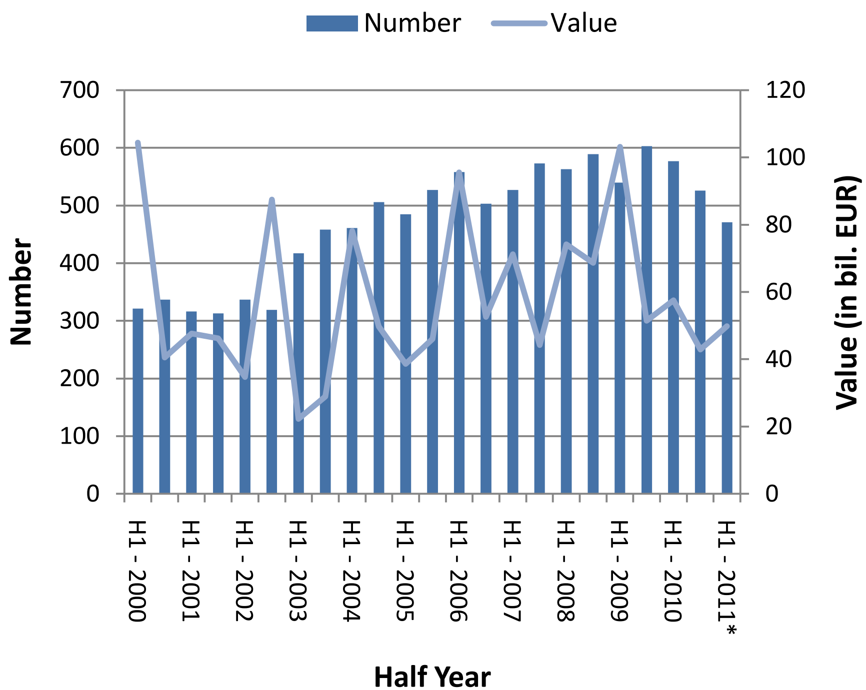


From Q4 2010 to Q1 2011, the **number of transactions** worldwide (see left figure) and in the pharmasector have both decreased, but this decrease has been much higher in the pharma & biotech sector. The **value of transactions** worldwide (see right figure) has slightly increased, while value in the pharma & biotech sector has increased much more, but from a relatively low level.

Trend in Pharma and Worldwide M&A, Q4 2010 to Q1 2011

Region/Industry	Number	Value
Pharma & Biotech	-27%	+50%
Worldwide	-17%	+1%

Forecast: Pharmaceutical M&A Activity, H2-2011



In the first half of 2011, we forecast **471 transactions** valued at **50 bil. EUR** in this sector.

Compared to the second half of 2010, the **number of M&A will slightly drop** (by about 10%). The lowest level since the first half of 2004. The **value** however will **increase** (by 16%). Compared to the first half 2011, both number and value will have decreased.

Top Deals in 2010

Rank	Target Company	Target Country	Acquiror Company	Acquiror Country	Value (in bil. EUR)	Status
1	Novartis AG	Switzerland	Novartis AG	Switzerland	7.6	Intended
2	Cephalon Inc	United States	Valeant Pharm International	Canada	4.0	Intended
3	Pfizer Inc	United States	Pfizer Inc	United States	3.6	Intended
4	GlaxoSmithKline Plc	United Kingdom	GlaxoSmithKline Plc	United Kingdom	2.4	Intended
5	Clinical Data Inc	United States	Forest Laboratories Inc	United States	0.9	Pending
6	Celgene Corp	United States	Celgene Corp	United States	0.7	Intended
7	BioVex Group Inc	United States	Amgen Inc	United States	0.7	Completed
8	Plexxikon Inc	United States	Daiichi Sankyo Co Ltd	Japan	0.7	Pending
9	Novozymes A/S	Denmark	Novozymes A/S	Denmark	0.7	Intended
10	Harbin Pharm Group	China	Harbin Pharm Group	China	0.6	Pending

In the first quarter of 2011, the top deals in this sector have been dominated by share buy backs (6 out of 10 transactions).

This indicates that big pharmaceutical companies miss good acquisition and investment opportunities.

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Appendix

Unless otherwise stated:

- All sources of data have been: Thomson Financial, Institute of Mergers, Acquisitions and Alliances (IMAA) analysis.
- Deals analysed have been „announced“ which is the standard of analysis for most reports. Announced means that we have included deals with the status: Completed, Unconditional, Intended, Pending Due to Regulatory Reasons, and Pending, Partially Completed, Status Unknown, and Withdrawn. This explicitly excludes the deals with the status: Seeking Buyer, Rumor, Discontinued Rumor, and Seeking Buyer.